

BIENNIAL REPORT 1983-1985

Part I — Narrative

Volume LIII



KENTUCKY DEPARTMENT OF EDUCATION

Alvin McDonald, Superintendent of Public Instruction



**To The Governor
and The General Assembly
COMMONWEALTH OF KENTUCKY**

When I took office as the superintendent of public instruction, I said that it was our goal to establish academic excellence in public education. It was our goal to raise our state from the ranks of academic laggards to the ranks of academic leaders. It was our goal to be as outstanding in academics as we have been in athletics, because a state that can be number one in the latter can certainly become number one in the former.

The Biennial Report of the superintendent of public instruction for the two-year period ending June 30, 1985, is written pursuant to the provisions of KRS 156.250. It documents Kentucky's progress in meeting those goals, enumerates areas where additional efforts are needed, and sets forth recommendations for continuing the reform movement.

Kentucky has embarked upon a significant, far-reaching, and influential educational reform. Others outside Kentucky are more aware of our progress than are our own citizens. Let the readers of this report be assured, however, that in the last two years, this commonwealth has witnessed a historic change in attitude toward education. The change was initiated by members of the General Assembly, implemented by the State Board of Education, and put into daily use in the schools by the local school districts. If continued and backed by further reforms and additional funding, this change in attitude will enable Kentucky, for the first time in its history, to become recognized nationwide for the excellence of its public schools.

In detailing the advances, however, I cannot emphasize too much that the 1986-88 biennium is a critical period. It is during this time that the gains made to date must be consolidated and refined, so they become a permanent part of public education and not merely a temporary aberration that future generations will regard with regret for its brevity.

Therefore, let me again take this opportunity to thank Governor Martha Layne Collins and the members of the General Assembly of Kentucky for their dedication to, and support for, education. Without them, the significant improvements we relate in this report would not have been possible.

Respectfully submitted,

Alice McDonald

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Superintendent of Public Instruction

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THE PROBLEM

Sixty percent of Kentucky's population is either limited in earning power or does not earn at all.

All Kentucky is aware that Kentucky is **LAST** in education. Indeed, Kentucky **is** last in the numbers of its people 25 years of age or older who have graduated from high school.

The numbers tell the story. In 1980, 3,660,999 people lived in Kentucky. Of that number, 2,086,692 were 25 years or older, and 53.1 percent of them had graduated from high school. That means that 46.9 percent, or 978,659 had **not** graduated. When we factor in the number of young people between 18 and 25 who did not finish high school, the figure is startling. Over 2.2 million Kentuckians, or approximately 60 percent of our population, do not have enough education to earn a basic living.

This is Kentucky's problem. It is also a dilemma, because an educated work force is needed to build a prosperous economy, and a prosperous economy is needed to build an educated work force. The relationship of one to the other is graphically illustrated in Kentucky's Fifth Congressional District where only 37.7 percent of the adults 25 years old or older have finished high school. According to 1980 U.S. Census data, the Fifth District ranked last in education among the nation's 435 congressional districts. It is fourth from the bottom in per capita income (\$4,470 a year) and has the 10th highest percentage of families living in poverty (24.9 percent). For the state as a whole, Kentucky ranked 45th in the nation in 1983 in per capita income with annual earnings of \$9,162 per citizen vs the U.S. average of \$11,685.

The problem can be solved. Major change is already under way. An eighth grade education once was considered more than adequate for the earning of a comfortable living. Now people perceive that a high school education is necessary. Although Kentucky is suffering a 4.36 percent dropout rate annually, almost 70 percent of the young people do eventually complete high school training and obtain either a diploma or a General Education Development (GED) certificate. In the percent change (improvement) in the number of high school graduates over a five-year period, Kentucky ranks thirteenth in the nation and in the number of GED certificates awarded each year, Kentucky ranks second in the nation. About two-thirds of those receiving GED certificates are under 25 years of age, which suggests that economic reality very rapidly teaches high school dropouts the value of the high school educations they once spurned.

As the technological age demands more and more of the brains that serve it, Kentuckians cannot rest upon the laurels of an increase in the number and percentage of high school graduates. Instead, we must note that only 11.1 percent, or 231,139 of our people, are college graduates, and we must plan accordingly.

U.S. Census data demonstrate conclusively that the more education a person has, the more income that person will earn. A young man with less than twelve years of school can expect to earn \$601,000 in a lifetime of steady work. If he graduates from high school, he can earn \$861,000. If he obtains one to three years of college, he can earn \$957,000, but if he graduates, he can earn \$1,190,000. If all people are highly educated, highly productive, and highly faithful in submitting their tax payments, the government could support a high level of public service without levying additional taxes.

Other studies predict that up to 80 percent of the jobs that will become available in the high-tech age of the next generation will not require advanced training at all and that a high school education will be sufficient. That prediction has grave significance for long-range planning because it implies limitations on the earning power of the people and therefore, limitations on the resources that will be available to support public services.

Once, Kentucky was frontier, a wilderness of forest and field, where wild animals roamed. A few hardy souls climbed the mountains and saw the land and saw that it was good. They told others what they had found, and others climbed the mountains, and the good land was filled with people who had not been satisfied in other places.

The settlers who plowed Kentucky wanted a better life. They worked hard, built carefully, and dreamed big dreams. Year by year, decade by decade, they constructed a commonwealth. Still they dreamed of more. Learning, education, the refined culture that comes from knowledge, are parts of the "dream" that drive our men and women to achieve and to excel. Once we groped for the means to move ahead. In recent years, we have come to understand that education is not only the key to the future, but the solution to the problems that have haunted us in the past.

THE SOLUTION

Had Kentucky ignored the report of the President's Commission on Excellence in Education, *A Nation at Risk*, the point would be moot. Kentucky would not have a choice. But Kentucky did **not** ignore that report, nor did it ignore the findings of Kentucky groups that called forcefully for reforms.

In 1984, the Kentucky General Assembly enacted one of the most sweeping educational reforms in the nation. It was done without fanfare, with few beyond the halls of the state Capitol realizing the extent of the change. But it was done, and the reforms have been implemented on time and with outstanding cooperation from school boards, school administrators, teachers, students, parents, and concerned citizens. In a special session in July 1985, the General Assembly continued its drive for excellence by affirming its intent to approve \$309 million in new funds in the 1986-88 biennium. Improvements in salaries, benefits, training opportunities, and working conditions for teachers received major emphasis.

The reforms are good. They already appear to be accomplishing the goals they were meant to achieve. Of even more significance, however, they have generated a new spirit in Kentucky. Students are working harder, behaving themselves better, taking tougher courses, and making better scores on their tests than ever before. Academic competitions are booming, and "the brain" is no longer an object of derision. Education is being viewed as the ticket to the good life, and students eager for the good life are preparing themselves seriously for the economic bonanza they hope will come to Kentucky.

Given time and steadfastness, the reforms will bring academic excellence to the education that is provided in Kentucky's public schools. Time is needed because several school years must pass before changes can become completely operational and can achieve the full effect intended. Steadfastness is also necessary. As the reforms root out and spotlight inefficient practices, some will complain because the "good old days and the good old ways" are passing. Others will do more than complain and may actually try to curtail or terminate the measures the General Assembly passed to ensure accountability for the vast sums that are allocated for the education of Kentucky's children.

THE BEGINNING

The first event of my new administration was the General Assembly's action to convene a conference on education. That was a historic day. Never before in the history of Kentucky had the General Assembly chosen to highlight education as its first order of business. The history of education in Kentucky has been a catalogue of missed opportunities, and the state's legislators, educators, and political leaders were determined that 1984 would not become another lost opportunity.

At the conference and in the days that followed, we examined the situation. As Kentuckians, we have demonstrated a grand indifference to education, we said. We have not valued it. We have not sought it as a goal in itself. We have not insisted that our children overcome every obstacle in order to improve their intellects.

We asked ourselves if we wanted to make a difference. We analyzed carefully how to go about doing it.

On the sixth day of January, 1984, the State Board of Education gathered in a special meeting. At that meeting, the professional organizations and the citizens' task forces that had been studying education and developing recommendations for reform reported to the state board and to Kentucky on their findings.

It was discovered that separately, and in some isolation from one another, each group had reached remarkably similar conclusions. While there were some differences in the means proposed for achieving the ends, there was substantial agreement on what the ends should be.

The consensus that emerged that sixth day of January became the foundation for the budget proposal that the department prepared for submission to Governor Martha Layne Collins. She observed it in the budget document she presented to the General Assembly. And the General Assembly recognized it in writing the laws and drafting the budgets that were ultimately enacted for education.

The actions that resulted fell into five broad categories: accountability, academic performance, professional development, community involvement and unity of purpose, funding and finance.

ACCOUNTABILITY

In the early days of 1984, we said that if we wanted to make a difference, we must first talk about accountability on all levels. Accountability must flow from the top down, we said, but it must also come from the bottom up. There must be leadership from Frankfort. There must also be leadership from the citizens of every community in the state.

We said that we must create a mechanism to give provide districts that fail academically with the same prompt and automatic help they receive when they fall into financial deficit.

This concept was incorporated in Senate Bill 202, which created a system whereby districts that fail academically can be declared "academically deficient". A series of management steps are included in this bill that, when utilized, will provide the help the deficient district needs. As long as the deficient school district establishes a plan, meets its timetables and makes progress toward rectifying its shortcomings, it need have no fear of being declared academically bankrupt. If it does not, however, academic receivership can result, and in extreme cases, the leadership of that district can be removed from office.

To facilitate assessment of academic performance, the General Assembly instituted a requirement that every school district publish in the local newspaper of largest circulation an annual performance report detailing test scores, mastery of essential skills and other pertinent information for every school in the district and for the district as whole. The reports are issued October 1 each year.

Although the academic bankruptcy bill did not become law until mid-1984 and regulations to implement it were not in force until fiscal 1985, twenty districts in 1983-84 met the highest status under the guidelines that will be used for measuring performance under the law and 102 districts attained a satisfactory status. In 1984-85, twenty districts met the highest status under the guidelines. Thirty more districts would have achieved the highest rank had they met the attendance standards.

The state board directed compilation of district data into a State Annual Performance Report. The State Annual Performance Report is contained in Volume II of this Biennial Report and will be issued annually hereafter. In addition, the state board abandoned the controversial system of ranking school districts from one to 180 on the basis of raw test scores. In its place, it adopted a format that combined financial and student data with test scores and added an analysis by deciles of each factor.

The state board has also endorsed the Financial Analysis Management Model, which the Department of Education developed through a grant from the Southeastern Regional Council for Educational Improvement. Under this grant, financial management analysis data were compiled to enable the department to identify areas of excess expenditures in the local districts by category of expenditure, by pupil, by classroom unit. The system is highly effective in pinpointing areas in need of management

controls and in identifying instances in which management skills are generating exemplary practices worthy of emulation in other districts. Moreover, academic performance data can be combined with economic and expenditure data to streamline the accreditation reviews and to free staff to concentrate on districts most in need of assistance to improve academic performance. To further facilitate improvements in academic performance and financial management in the districts, and to prevent certain districts from sinking into academic bankruptcy, the General Assembly approved funding for management assistance teams for the 1986-88 biennium. Expanding upon the success of the school improvement project, these teams will coordinate technical aid to the districts, assist local boards to pinpoint areas where funds can be shifted from operations to instruction, and in general, serve as coaches to school systems striving to improve.

The state board placed local districts on notice that waste, corruption, inappropriate management practices, and secrecy in local school board proceedings would not be tolerated. Charges and allegations have been referred to federal authorities, to the state attorney general, and to local prosecuting attorneys for investigation and possible legal or criminal action. Audits of several school districts were initiated and are under way. The state board praised courageous concerned citizens' groups that are insisting on improved education in their communities and urged the formation of such groups in all districts.

The superintendent and the State Board of Education are committed to achieving academic excellence throughout the system. We have taken a strong stance on the implementation of new legislation and have emphasized that all laws and regulations already in effect will be enforced. Actions taken to date include:

- Academic qualifications for the position of emergency substitute teacher have been raised from high school diploma or GED certificate to a minimum of 64 hours of college credit.
- Qualifications for Minimum Foundation allotments have been raised from partial to full-day attendance by students.
- The state board developed and adopted a Code of Ethics to govern administration of statewide tests. Among other provisions, superintendents are required to certify in writing as to compliance with the code during administration of the tests.
- The state board required that discipline codes be developed and adopted by every school district, as the General Assembly had directed, and provided a model code to be used as a guide to local districts.

State law requires that students receive six hours of instruction a day, 175 days a year. Although the six-hour day has been state law since 1893, enforcement has not been consistently rigorous. The Kentucky State Board of Education, therefore, passed a regulation banning extracurricular activities, including athletic practice and games, from the six hours allotted for learning. Districts that had fallen into the custom of permitting dismissals and excuses from class for a variety of non-instructional activities faced serious readjustment.

I am pleased to say that the regulation is now fairly well understood statewide. I am especially pleased to be able to commend the Kentucky High School Athletic Association. It worked closely with the State Board of Education to reduce the number of scheduled basketball and football games and to rearrange most tournament schedules from school days to weekends.

ACADEMIC PERFORMANCE

During those first days of 1984, we said that if we wanted to make a difference, we must put the emphasis squarely on academic performance. We said that there must be an orderly atmosphere in the classroom so that learning can take place. We said that there must be a time for learning. The time mandated by law must be used for instruction and not for anything else. We said that what is expected of teachers in the way of instruction and from the students in the way of learning must be clearly understood.

The 1984 General Assembly took bold steps. It enacted a bill calling for the development of essential skills that should be taught and mastered by students in reading, writing, spelling, mathematics and library use, including research and reference skills. The bill called for annual testing of these skills in every grade. For young children who do not master those skills, the General Assembly provided \$16 million in new funds for remedial assistance beginning in the 1986 fiscal year.

Implementation of the legislation got under way in 1984-85 with the identification of skills considered essential for learning. This was a massive effort that involved the time and expertise of thousands of teachers across the state. I commend all who worked so hard to define and validate the skills and thank the districts that permitted their teachers to participate in this exciting process.

For the first time in Kentucky's history, there is a statewide definition of the skills that should be taught in these major areas and a scheduled time by which each skill should be mastered by the students. This will produce excellent results over the long term because it will enable teachers to determine early when pupils are lagging. It will also enable schools to identify areas in which curriculum and teaching strategies need strengthening.

Once skills had been defined for every grade, Kentucky Essential Skills Tests in reading and math were developed for all grades. This painstaking process involved the services of hundreds of teachers and nationally recognized testing experts. The tests were field tested and used for the first time in the spring of 1985. Development of tests in spelling, writing, and library use will be completed in time for the 1986 spring testing season.

The results of the first Kentucky Essential Skills Tests in reading and math demonstrate that when the state sets precise expectations for learning, teachers are quick to make certain that their pupils measure up. Mastery levels were good and can be expected to improve as teachers become more familiar with the essential skills and develop strategies to teach them. Normative data provided from the "norm-referenced" portions of the KEST showed improvement as well, suggesting that the new emphasis on academics will continue to have favorable effects on students' performance when compared with student outcomes in other states.

Funds for remedial assistance for first and second graders became available July 1, 1985, in time for the 1985-86 school year. Although massive effort was required to design and implement the program on time, the department was assisted by an ad hoc committee of parents and educators to whom it owes a debt of gratitude. Reactions to the new program have been conveyed to the superintendent in writing and in person during a series of on-site inspection visits in October and are sufficiently complimentary to justify a recommendation for expansion of the program.

I cannot praise too highly the General Assembly's wisdom in passing S.B. 169 and its companion S.B. 202 in 1984. These two pieces of legislation work in tandem to provide the harness by which substandard school districts can lift themselves from academic doldrums to academic success.

In summary, the system created by the General Assembly for academic success is as follows:

- Identify the skills the pupils must know to succeed in the next grade.
- Test the pupils for mastery of the skills.
- Analyze the tests for skills not learned.
- Provide remedial opportunities for the student.
- Analyze the results of all the tests for the districts' adherence to acceptable standards of academic performance.
- Provide an orderly mechanism for the districts to correct deficiencies in a timely fashion.
- Provide appropriate penalties for failure to correct deficiencies on schedule.
- Enforce penalties.

This organized plan for improvement is unique in the country. It is achieving results, and the General Assembly and Kentucky are receiving praise from other states because of it. S.B. 169 and S.B. 202 are the heart and backbone of Kentucky's reform movement. They must be maintained and enforced, and then strengthened and refined as experience may indicate.

In other developments designed to achieve academic accountability during this biennium, the 1984 General Assembly made it harder for a youngster to drop out of school. It narrowed the mandated curriculum to allow more time for concentration on the basic subjects, required that 70 percent of an elementary student's time be spent on basic academic subjects, and directed the State Board of Education to define the requirements for a vocational competency certificate. The vocational certificates were issued for the first time in May 1985 to students who qualified. Believing that the achievement of academic skills is as critical as the achievement of technical skills in the training of an effective worker, the state board also established entry and exit requirements to ensure the academic competency of students entering, and the technical competency of students graduating from, Kentucky's vocational technical schools.

Statewide kindergartens were instituted, and attendance was made a prerequisite for entry into the first grade. While the cost of transporting children to and from half-day sessions created financial consternation in some districts, the General Assembly's action in the 1985 Extraordinary Session allayed anxiety and will enable districts to exercise complete freedom in designing their kindergarten programs.

In March 1984, the State Board of Education and the Council on Higher Education met jointly for the first time to explore areas of cooperation between the two bodies. At that meeting, the superintendent proposed that a Commonwealth Diploma be awarded by the state board to students who meet specified course requirements and complete advanced courses

for college credit while still in high school. The program has now been implemented. College credit is earned through the Advanced Placement and International Baccalaureate programs. In the 1985-86 school year, 12 districts (Barren, Boone, Christian, Daviess, Fayette, Jefferson, Letcher and Martin Counties and Ashland, Covington, Ft. Thomas and Russellville Independents) and 294 students are participating.

The Kentucky Educational Foundation, Inc., a private, non-profit foundation, was formed early in 1984 by a group of private citizens to benefit elementary and secondary education and to reinforce Kentucky's drive for academic excellence. Through the generosity of private donors, it awarded Flags of Excellence to forty-six schools in Kentucky in 1984 and to sixty-one schools in 1985, a 32% increase in the number of schools meeting the standard. Standards for winning the Flags of Excellence are:

- **Annual dropout rate** 5 percent or less
- **Test scores** 80 percent or more of the students in each mandated grade scoring at or above 50 NCE
- **Attendance** 95 percent or better
- **Accreditation** No major deficiencies

To recognize schools that make significant improvement in academic performance over a two-year period, the Kentucky Educational Foundation, Inc., awarded Flags of Progress in 1985 to 146 schools. Standards for winning Flags of Progress are:

- **Annual dropout rate** Decrease by .5 of a percentage point if greater than 5 percent
- **Test scores** Increase by 5 percentage points at grades 3, 5, 7, and 10, the percent of students scoring at or above the national median of 50 NCE as compared to the previous year. Mandated grades having 80 percent or more of the students scoring at or above the national median are not subject to the 5 percentage point improvement criteria.
- **Attendance** Improve over the previous year by 1 percentage point
- **Accreditation** Remove major program and service accreditation deficiencies.

Kentuckians should note that, to date, only a handful of Kentucky's high schools and middle schools have won Flags of Excellence. We believe there are several reasons for this:

- As students progress through the grades, the concentration on basic academic endeavor is diffused. Social life, extracurricular activities, and the world at large divert the student's mind at the very time that curriculum offerings become more diverse and temptations exist to

"get by" with easier courses when tougher academic courses are available and advisable.

- National studies have shown that while the nation was spending considerable sums to aid the slow learner, it was allowing its brighter students to fend for themselves. Kentucky was following the same course. Analysis of Kentucky's 1983 test score data revealed that third graders were achieving much higher levels than might be expected in a normal population. Slower learners in grades three, five, and seven were achieving higher levels than the population at large while the ranks of those attaining the highest performance records were not as numerous as might be expected in the general population. Analysis of similar data from the 1985 testing season indicates the trend is continuing.
- Several high schools that met test score standards for Flags of Excellence did not meet other standards, primarily the daily attendance standard. Correction of this shortcoming will not only improve the schools' performance ratings but will generate additional revenue to the districts.

In 1984, Murray High School was one of 114 American high schools to receive an award from the U.S. Secretary of Education's National Secondary Schools Recognition Program. In 1985, four Kentucky schools were among 277 public and private secondary schools selected by the secretary. They were Highlands High School, Fort Thomas; Holmes High School, Covington; Oldham County Middle School, Buckner; and Thomas Jefferson Middle School, Louisville. West Hardin High School at Stephensburg received a Phase I Carnegie Grant of \$32,693 from the Carnegie Foundation for the Advancement of Teaching, making it one of nineteen recipients selected from 26,000 U.S. high schools.

Academic competitions flourished in the 1984-85 school year as more and more schools created academic brain trusts and organized academic booster clubs to assist them. Eight hundred students from Kentucky's schools participated in Mathcounts, 1,500 took part in OM (formerly Olympics of the Mind), and fifty high schools participated in the Academic Decathlon. The Kentucky Educational Foundation, Inc., in keeping with its commitment to encourage academic excellence and its willingness to compare one academic performance with another, awarded a \$22,500 grant to OM, courtesy of a donation from the Bank of Lexington. The foundation also supported the Academic Decathlon with a \$1,000 grant.

The Kentucky Department of Education sponsored the first Kentucky Humanities Institute in the summer of the 1985 for outstanding students entering their junior year in the fall. Thirty teachers of writing received training in teaching techniques developed by the National Writing Project during a weeklong Kentucky Writing Institute. The project, which was co-sponsored by the Kentucky Educational Foundation, Inc., will enable Kentucky to launch a new emphasis on composition and writing in high school in the 1985-86 school year.

PROFESSIONAL DEVELOPMENT

In the early days of 1984, we said that if we wanted to make a difference, we should improve the quality of instruction rendered in our schools. To obtain high quality, we said, we must provide the best teacher education possible and then persuade the best and brightest of our young people to enter the field. In management, we said that we must bring improved techniques and training to the ranks of our school administrators.

The General Assembly responded by instituting a teacher testing and internship program that had as large a consensus of support among educators and professional groups as any measure ever to come before the General Assembly. Under the provisions of S.B. 19, each teacher candidate will be required to pass written tests prior to initial certification in order to establish eligibility for the internship year. The internship, the first year of full-time teaching employment for all new teachers and for all out-of-state teachers with less than five years of experience, was implemented in the 1985-86 school year.

To put the statute into effect, the superintendent named a 19-member advisory board. Meeting regularly from May 1984 through April 1985, the committee recommended cut-off scores for the required National Teachers Examination (NTE), studied internship models and training systems in use in the few states that have teacher internship programs, and proposed the Florida Performance Measurement System as a part of the Kentucky's internship program. The State Board of Education adopted all three recommendations. The program has been implemented and the first observation visits by members of the beginning teacher committee have occurred.

Pilot administration of the NTE tests during the spring of 1983 suggested that a disproportionate number of minority and rural students might fall below the cut-off scores. Accordingly, the department obtained Chapter II funds and provided a two-day workshop to demonstrate techniques to improve test-taking skills of underprepared students. More than forty faculty members from 18 institutions attended the workshop. According to the Educational Testing Service, which assisted with the workshop, the session was the first instance in which any state department of education has taken steps to forestall the predicted elimination of minority and rural students from teaching careers.

A second important piece of professional development legislation was S.B. 364, which established a statewide evaluation program to improve on-the-job performance of all certified school personnel in Kentucky. The bill directed the Department of Education to develop guidelines for local districts to follow in implementing evaluation systems. Local district personnel assisted the Effective Instructional Leadership Task Force in developing the program and training sessions were conducted to familiarize administrators with the methods to be used in setting up an effective evaluation system, the skills involved in observing in the classroom, and conferencing techniques to be used with teachers regarding their strengths and weaknesses. Each local district then appointed a committee of teachers and administrators to develop the district's evaluation plan. The department will monitor operation of the plans.

In 1985, the General Assembly strengthened S.B. 364 by requiring that evaluators not only be trained but tested and certified as well. Moreover, outside evaluators are to be selected and trained by the department. Each year they will reevaluate a sample of the local school employees in order to validate the accuracy of the local evaluators' judgments.

Perhaps the most controversial and unsettling measure passed by the General Assembly in 1984 called for development of a "career ladder" for teachers. The legislation directed that the work be accomplished by a commission appointed by the governor and that it be completed by June 30, 1985, in time for consideration by the General Assembly during its 1986 session.

Since the legislature was called into extraordinary session in the summer of 1985, the review of the commission's report was conducted during that session. Expanding upon the commission's recommendations for a voluntary, short-term experiment with a "career ladder", the General Assembly directed the governor to appoint a 22-member commission to oversee a two-year pilot experiment in five to ten volunteer districts representing up to 5 percent of the state's teachers. Although volunteers are not to be selected until 1986, several districts have already expressed interest in participating in the experimental career ladder which will yield \$20,000 to the district and \$2,000 to the individual teachers who participate.

If volunteers are in fact as numerous as those indicating interest, the concerns expressed by teachers during the career ladder planning period may well be allayed during the pilot period. It is further hoped that the legislation enacted in 1985 emphasizing the instructional leadership role of principals and school administrators will remove the differences that were revealed to exist between teachers and administrators. If Kentucky is ever to achieve its goal of academic excellence for all children, relationships between school administrators and teachers must be characterized by high levels of professional harmony, mutual trust, and community of purpose. The General Assembly is to be commended for taking steps toward achieving that improvement in such a timely fashion.

In 1985, the State Board of Education was ordered to establish, direct, and maintain a statewide in-service program for teachers. Local districts were ordered to appoint in-service education directors who will be the beneficiaries of annual training programs provided by the state board.

Also in 1985, the General Assembly enacted legislation to require new principals to pass a test and a one-year internship under supervision before receiving full certification as principals. To be effective in 1986, the bill permits the individual who qualifies to receive a certificate valid for four years. Renewal of the certificate for another four years will depend upon completion of a continuing education requirement, to be prescribed by the state board.

While many teachers were disappointed in 1984 that budget stringencies prevented significant salary improvements, the General Assembly more than made up for it in 1985 by indicating its intention to grant substantial salary increments and improved working conditions. The sums designated for 1986-88 total \$91.4 million. In addition, the General Assembly ordered a duty-free lunch period. Kindergarten teachers and some English teachers are to receive aides to assist them in their work and an additional \$10 million will be used to provide opportunities to teachers for training and professional development.

Encouraged by the success of the math-science scholarship loan program enacted in 1982, which has already trained 181 teachers and placed 132 of them in the classroom, the General Assembly designated \$1.5 million in the 1986-88 biennium for scholarship loans to attract outstanding young students into teaching careers. Scholarship loans will

be reserved for persons who rank in the top 10 percent of their graduating class or score at or above the 80th percentile on the American College Test (ACT) test required for admission to Kentucky's public universities. One year of the loan will be forgiven for each year the new teacher is employed in a Kentucky school.

One of the most persistent problems in Kentucky education has been the nagging uncertainty on the part of the public, and apparently on the part of many teachers, as to whether teachers graduating from Kentucky's teachers' preparation programs are as capable as they should be. In search of the answer to this question, the State Board of Education commissioned a major study of the teacher education and certification system. The board was assisted by the Council on Teacher Education and Certification and was joined in the study by the Council on Higher Education. Through competitive bid, MGT of America, Inc., Tallahassee, Florida was selected. The study is now being concluded.

In June 1984, the Kentucky Educational Foundation, Inc., and the Department of Education co-sponsored the first Commonwealth Institute for Teachers. It was a weeklong seminar that was followed by two weekend sessions for institute participants. The forty teachers selected for the first Institute found the experience so enriching and their enthusiasm for teaching so rekindled that they urged the sponsors to plan additional institutes in the future. Accordingly, the foundation and the department co-sponsored the second annual Commonwealth Institute for Teachers in 1985. Fifty teachers, applying in teams of two and three, were chosen.

Also in June, 1985 the Kentucky Educational Foundation, Inc. and the Department of Education co-hosted the first Commonwealth Institute for Instructional Leaders for principals and administrators. This weeklong seminar with follow-up weekends trains administrators to be instructional leaders, teaching them how to evaluate and work with teachers in order to increase their effectiveness. This was an important first step in Kentucky's effort to enhance the instructional leadership skills of school administrators.

Aware of the success of the Commonwealth Institutes, the General Assembly, acting on a proposal from the governor, designated \$150,000 each year of the 1986-88 biennium for weeklong motivational seminars for teachers. Sums will be matched by local business and civic groups so that 300 teachers can attend each summer.

COMMUNITY INVOLVEMENT AND UNITY OF PURPOSE

In the early days of 1984, we said that if we wanted to make a difference, the people of Kentucky must come together. They must become involved in their public schools. They must become knowledgeable about the needs and goals of their schools and the accomplishments of their young people. We said that when the people went to the General Assembly, they should go prepared to speak with one voice.

The people *did* speak with one voice. That voice expressed opposition to more state taxes, and a statewide tax increase therefore did not pass the General Assembly. That voice *did* call for educational reform. As this report describes, much has been achieved toward that reform on the state level. Much has also been accomplished on local levels. In several districts in which academic performance has lagged behind state averages, determined citizens' groups challenged local school boards and sought state help in enforcing standards. In other districts, parents and citizens are voluntarily banding together to help achieve improved performance.

The Prichard Committee for Academic Excellence, which held town forums across Kentucky, and the Kentucky Educational Foundation, Inc., which has already raised significant sums to benefit education, are just two examples of citizens making outstanding efforts on their own to build excellence in Kentucky's schools. Hundreds of partnerships between schools on the one hand and business and civic groups on the other are providing impetus to school programs. A \$139,500 grant from the Appalachian Regional Commission is being used to expand partnerships in Appalachian areas with the help of a Kentucky Educational Foundation Inc. matching grant of \$18,000. In Winchester, a \$30,000 matching grant offered by the Clark County Bank to the Academic Boosters Club of the George Rogers Clark High School is an outstanding example of private citizens joining together to help the young people learn.

Public support for educational reform is strong in Kentucky. We believe it is strong enough to sustain the major structural reforms still needed to raise public education to outstanding levels of performance. While the people seem more than willing to provide major new funds for education, they are now attuned enough to know that money alone will not cure historic evils.

FUNDING AND FINANCE

In the early days of 1984, we said that if we wanted to make a difference, we must provide adequate funding. We said, and I quote from the consensus document that was considered by the State Board of Education and subsequently by the General Assembly:

"Educational and financial equity should be of prime concern at both state and local school district levels. While it is recognized that every district does not process equal wealth and population and therefore cannot be expected to raise equal amounts of revenue, it is possible to devise a system where each district makes the same effort to support its schools as is made by every other district. The development and implementation of such a system should be the goal of the educational community."

The 1984 General Assembly passed legislation requiring every school district to levy a minimum ad valorem tax of 15 cents per \$100 in assessed property value. The legislature also increased local revenue-raising options by allowing districts to levy any one or all of three permissive taxes: a utility gross receipts tax, an excise tax on income, and an occupational license tax. In 1985, the legislature enacted another measure, effective in 1986, to require a minimum equivalent tax rate of 25 cents to be collected in order for a district to receive any increase in power equalization funds over 1985 levels.

In the 1985 extraordinary session, the legislature also designated substantial new funds to enhance school operations. Power equalization is to receive \$65.8 million; textbook purchases are to total \$12.8 million; units for exceptional children will increase by \$6.7 million. Dropout prevention will receive \$1.1 million in state funding over a two-year period, while a new writing program for children in grades seven through ten will cost \$3 million over the biennium. Funds to permit midday transportation of kindergarteners will total \$18 million over the 1985-88 period.

In response to one of teachers' most persistent concerns, the General Assembly in 1984 capped class sizes at twenty-nine-to-one in grades one through three and thirty-one-to-one in grades four through six. In the 1985 Extraordinary Session, the legislature indicated its intention to lower class sizes according to the following schedule:

Grade	86-87	87-88	88-89	89-90	89-90
	ADA	ADA	ADA	ADA	ADA Maximum
1	23	22	21	20	23
2	23	22	21	21	24
3	23	22	22	22	25
4	27	26	25	24	27
5	27	26	26	26	29
6	27	26	26	26	29
7-8	27	27	27	27	31

A teacher aide shall be provided for each kindergarten unit allotted.

More than \$45 million was designated to limit class sizes in the 1986-88 biennium. While smaller class sizes are welcomed by teachers because they can spend more time with each student, and by districts because they expand funding levels, the General Assembly will wish to consider one potentially adverse result.

The General Assembly was correct in its assumption that classes were persistently exceeding legislated limits in some districts. Now that the state board has enforced the caps, however, aberrations are showing up. For example, in some cases, children who **can** function in a regular classroom are being transferred to special education, and the demand for special education units is mushrooming. In other cases, classes are being split, causing teacher and parental concern and raising legal questions as to whether all the children in the split class are receiving six hours of instruction a day, 175 days a year. Most costly of all, perfectly good classrooms built for 30 students are being made obsolete while demand for additional classrooms is being generated at an unprecedented rate. Therefore, the General Assembly may wish to consider, as an alternative to truly staggering construction costs, the relatively simple expedient of reducing class sizes by the use of trained teacher aides.

A significant new approach to construction of school facilities was adopted by the 1985 General Assembly. The old Kentucky School Building Authority was abolished and replaced with an independent School Facility Construction Commission. Under the provisions of the law, the Department of Education and the local districts, working together, will determine the districts' needs. Those needs will be presented to the State Board of Education for review and approval. Once the unmet needs are certified by the state board and transmitted to the commission the percentage of each district's unmet need that can be financed through the sale of school construction bonds will be computed. The 1985 General Assembly designated \$13 million to be used to finance construction of needed school buildings in the 1986-88 biennium. Depending upon the prevailing interest rates, it is anticipated that \$100 million or more in construction can be financed.

Public education is tightly restricted in the manner it can offer services and in the ways it can use its funds. Accreditation, the program of studies, certification, the unit structure of the Minimum Foundation Program, district boundaries, class sizes, ADA, and tenure have virtually eliminated freedom of action within the system and have made experimentation and development of new options impossible. By including the Innovative Incentive Fund and the Academic Excellence Fund in the 1986-88 proposed biennial budget, the General Assembly demonstrated its commitment to finding better ways of providing education to the people who need it. Through the use of these funds, educators will be able to develop pilot projects to test new and innovative ideas for instruction and for management.

How much should an educational reform cost? This question has raised much debate in Kentucky and in other states where expensive spending programs financed by massive new taxes have been viewed as the recipe for a "successful" educational reform.

In Kentucky, many believed that the reform was insufficient or was even a failure because it was not greased by major new injections of cash financed by dramatic new taxes.

We beg to differ. We believe that the phased, deliberate implementation schedule planned and financed by the General Assembly will, this time, achieve for Kentucky the lasting academic improvements that all have worked so hard to win.

Consider the timetables. In 1984, it was simply not possible to raise new revenues on a state level through new state taxes. While the General Assembly worked to channel every possible dollar into education, and did in fact allocate \$86 million in the 1984-86 biennium, most of that new money did not come on line until July 1, 1985. That allowed educators fifteen months to design, consult, coordinate, refine, field test, and implement the reforms that were ordered during the 1984 session. Small amounts of new money then became available to implement the changes. While the 1985 Extraordinary Session indicated legislative intent to appropriate \$309 million, that money will not become available until July 1, 1986, thus allowing another 12 months for the design of programs.

Consider also the size of the new appropriations. A commitment approaching \$400 million within a three-year period is outstanding for a state in which 60 percent of the people cannot earn to full capacity. It not only exceeds the total amounts committed in several other reform-minded states, but sets a progressive tone for Kentucky's economic development efforts. If further boosted by the modest amounts being requested in the education budget proposed for 1986-88, it will total almost \$500 million. I personally am very proud of this commitment. The State Board of Education and the Department of Education share my pride in this effort and my gratitude to the people of Kentucky for striving to excel in education.

The mechanisms for achieving fiscal and academic accountability at all levels throughout Kentucky's system of public education have been put into place. The academic standards and the means by which pupils can achieve those standards have been established. The task now is to protect that framework from the twin encroachments of indifference and selfish interest.

STEADFASTNESS

The superintendent's first recommendation is that the reforms passed in 1984 and 1985 be maintained without alteration for the reasons set forth in the body of this report.

Second, it is recommended that HCR 5, passed by the Extraordinary Session of the General Assembly in the summer of 1985, be incorporated into the 1986-88 biennial budget in its entirety, without change, and be enacted.

Implementation of these two recommendations safeguards Kentucky's educational reform movement and limits the number of new actions needed to achieve excellence.

INSTRUCTION

Generally speaking, the reforms that Kentucky now faces fall into two categories. The first category includes modest proposals for new instructional programs in vocational education, gifted education, and adult education, areas heretofore largely bypassed.

Gifted and Talented—The gifted and talented program historically has operated on very tight budgets and has served a scant one percent of Kentucky's student population. Since the minds of its most outstanding young people are important to a state driving for economic development and prosperity, expansion of the gifted and talented programs to cover a larger percentage of the students is recommended. While we believe that all young people could benefit from the learning challenges made possible by gifted and talented programs, we are requesting funds to serve five percent of the students.

Academy of Science and Technology—Science and mathematics are the keys to technological development, yet science and mathematics historically have not been heavily emphasized in Kentucky's public schools. To focus attention on the importance of the subjects and to provide a model laboratory in which teachers can be trained and curricula can be developed, the establishment of a residential Academy of Science and Technology for outstanding Kentucky students is recommended. Funds to develop and establish a residential academy in cooperation with a university are included in the budget proposal.

Mastery for Promotion and Graduation—The 1984 General Assembly directed the department to make recommendations regarding the feasibility of requiring mastery of essential skills for promotion and for graduation from high school. Establishment of the essential skills programs and the accompanying tests represented the first steps toward accomplishment of the goal set by the General Assembly. The superintendent and the State Board of Education both concur that a diploma from a Kentucky high school must represent a certain level of learning competence on which employers can depend when seeking employees.

However, the superintendent and the State Board of Education also agree that precipitous implementation of the General Assembly's goal would be inadvisable. The second phase of the program should be the requirement that students master the subject matter in the fourth grade as a prerequisite for promotion to the fifth grade. To give all pupils sufficient opportunities to attain mastery, the remedial program implemented this year for first and second graders should be expanded to include third and fourth graders. Funds to implement these two facets of the competence program are requested in the 1986-88 budget. The third phase of the program should be the requirement that students demonstrate mastery in the eighth grade as a prerequisite for promotion to the ninth grade and take a final test to show mastery, beginning in the tenth grade, for graduation.

Writing and Composition—The 1985 General Assembly designated composition as a critical component of communication and education and provided funds for a program to emphasize the teaching of writing in the schools. The legislature's program does not begin until the seventh grade, however, and it is believed that individualized instruction in reading and writing skills in the elementary years will not only assist the student to master the essential skills and thereby reduce the need for remedial education but will also lay the groundwork for proficiency in writing in the middle and high school years. Accordingly, funds to establish state-of-the-art writing computer centers are requested. Matching funds will be utilized to help defray the total costs.

Special Education—Programs for exceptional children were cut by one hundred units in the 1984-86 biennial budget yet demand for units continues to grow. The department has labored to resolve the issue of overutilization and underutilization of units and believes it has made strides. However, the presence of special funding for this special population provides an incentive to increase the population. Enforcement of a declining limit on class sizes, moreover, is creating additional demand. To restore cuts made two years ago, funds for one hundred units are requested. Funds are also requested to increase the outreach services from the Kentucky School for the Blind and Kentucky School for the Deaf, and thereby reduce the demand for the relatively expensive residential schooling by enabling the children to be served in their home communities.

Teachers' Training and In-service—To try to bring a high level of effectiveness into teacher in-service programs, the General Assembly designated a sum of \$500,000 for each year of the 1986-88 biennium to finance state-sponsored in-service programs and to provide trained in-service directors in each school district. However, certain groups of teachers need additional training in specific subjects, e.g., the new writing program. Since the training is needed *before* the course begins and since it is already extremely difficult to fit a 185-day school calendar into a September through May time frame, Kentucky must begin to make better use of the summer months for training, planning, and all the other activities so necessary for the operation of an effective school system. Therefore, funds are requested to permit approximately 4,000 teachers per year to be compensated for up to five additional days to be utilized for specialized training and the performance of duties to improve the academic success of their students.

Adult Education—Kentucky is nationally recognized as having the best adult literacy program in the country. It also has the second most utilized GED program in the nation. Kentucky may have the nation's highest percentage of undereducated adults, but those adults are more

than willing to overcome their deficiencies and improve their skills. It behooves the commonwealth to take advantage of their desire for personal and economic advancement. Now that Toyota is focusing attention on high technology and learning, funds are requested to provide more opportunities for adult education.

Parents and children—The cycle of ignorance and poverty hits particularly hard at children born into deprived families. These children are behind when they start to school, and they remain behind throughout their lives. To break this tragic cycle, a pilot project for adult parents and their preschool children is proposed. This program would unite adult basic and preschool developmental education and bring parents and young children together to be taught at the same time. The parents would attend their classes while the children are occupied with children their own ages. The two would then come together for joint activities in which parental skills would be a feature. Coordination with the Cabinet for Human Resources would be an integral part of the proposed project which would concentrate its efforts on those areas of Kentucky where the welfare rolls indicate the need is greatest. Funds are recommended to implement this pilot project. If it proves successful, it is recommended that it be considered for expansion, and perhaps even be made a condition for receiving certain types of welfare assistance.

Vocational Education—Vocational education has not benefited from receipt of any new moneys during the past two years, and actually suffered a cut with the elimination of industrial arts units. Vocational education nevertheless remains the economic foundation for fulfillment of personal job ambitions. Therefore, it is recommended that vocational education equipment be upgraded, that adult and continuing vocational retraining programs be expanded, that basic academic instruction for adults attending post-secondary schools be expanded, and that the integrated academic vocational programs known as JAVA be established in additional local school districts. Funds to implement these expansions are recommended. The requests for funds for implementation of JAVA programs are for initial establishment only and therefore are requested on a one-time per district basis.

GOVERNANCE AND ORGANIZATION

A second category of recommendations concerns the changes necessary to break the cycle of ignorance and poverty that historically has retarded Kentucky's drive for learning. These changes will not cost additional money.

Appointive Superintendent—The superintendent and the State Board of Education both support selection of the state superintendent by appointment by the state board.

Some have proposed that an elected state board be substituted for an elected state superintendent. While this is a matter for legislative decision, the following observation is made:

For years the General Assembly has been seeking the way to create academic excellence in public education in every county of Kentucky. With passage of the Educational Improvement Act in 1978, the legislation began granting to the state board more of the powers and responsibilities necessary to accomplish that goal. The state board has risen to the challenge. The sweeping and progressive educational reform planned and executed in Kentucky within the last two years owes a large part of its success to the vision, the determination, and the diplomatic skills of the present State Board of Education. To sweep that board away without

recognition of the caliber of its service may be to leave the General Assembly without a vehicle for attaining its dream.

Management—In the past, the success of public education in Kentucky has been measured in resources supplied to the system. The numbers of buildings, books, and dollars; the sizes of teachers' salaries, benefits and pensions; the percentage increases in the biennial budgets have been examined to determine Kentucky's progress.

However, a costly system does not necessarily mean an effective system. In addition to keeping an attentive eye on resources, therefore, Kentucky must assess the skill with which those resources are being used. Kentucky must judge its success on the performance and the academic results achieved by public education. The numbers and percentages of young people completing high school and embarking upon post-secondary education, the rates of people completing vocational-technical training and higher education, the educational level and employment rates of the people as a whole are the critical measures of success in public education.

Public education is now a very big business, and the skills of big business management are necessary in order to operate it effectively. At the same time, the historic role of school administrators in guiding and managing instructional programs is more critical than ever before.

To improve the capabilities of school management to render outstanding instructional leadership on the one hand and outstanding business management on the other, it is recommended that the requirements for certification for the positions of superintendent, deputy superintendent, principal, business manager, and supervisor be reviewed and that specialization along the following lines be developed.

- **Principals**—Training for principals should include the development of proficiency in the techniques required for successful leadership of instruction including evaluative work with teachers, and skills necessary to develop curriculum and teaching strategies.

- **Administrators**—Training for school administrators who are expected to be responsible for the business operations of a school district should include the development of proficiency in business management techniques. As the late Edward F. Prichard, Jr., suggested, it is recommended that a **profession** known as "school business administrator" be created for the express purpose of managing the operational aspects of schools. It should be characterized by a master's degree in school business administration and it should be to public education what the MBA is to business and industry. It is further recommended that a graduate school to provide this specialized training be developed in a college of economics and business administration. Because such a graduate school would be the first of its kind in the nation, it is recommended that the state commit funds to make it the model for the country. Requirements for entry into the school should be a bachelor's degree in any subject, earned with an appropriate academic standing.

It is noted that a bill to establish such a graduate program was introduced in the special session but failed in debate. It is recommended that this proposal be reconsidered in order to bring to public education the expertise desperately needed to manage its vast resources efficiently and appropriately.

Funds and Formulas—The minimum foundation program provides a stable base of funding for the statewide system of public education, as it was intended to do by the legislators that enacted it in 1953. However, the program also tends to maintain the status quo, supporting the good management practices along with the inefficient ones. At the same time, complaints have arisen that the system is not providing an equality of educational opportunity, and a number of local districts have felt strongly enough about the issue to seek a judgment in the courts.

After a quarter of a century's use, it is recommended that the minimum foundation program be reviewed in order to determine if it complements and enhances academic performance in the districts. The General Assembly, the leadership of the state board of education, other educators and I have worked long and hard to create the conditions in which academic excellence can flourish. It is time to reassure ourselves that the foundation is strong enough to withstand the demands now being placed upon it. Therefore, it is recommended that the General Assembly commission an independent, unbiased review, and call for findings and conclusions to be presented to it by July 1, 1987.

CONCLUSION

In closing, let me compliment the leaders of Kentucky's schools. They have worked hard to implement the reforms passed in 1984 and have labored together in a spirit of cooperation to improve the learning of Kentucky's children. If we can continue that fine spirit of unselfishness as we debate and institute the second phase of Kentucky's educational reform, I have no doubt whatsoever that when the twenty-first century dawns, a bare fourteen years from now, Kentucky will have one of the nation's most outstanding systems of public education and will be enjoying the prosperity and quality of life that are bestowed by the diligence and energy of an educated people.

The Kentucky Department of Education provides equal educational and employment opportunities

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